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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 08/13/08

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1) U.S. hopes Japan will continue Afghan assistance: U.S. envoy

NIKKEI (Page 2) (Full)  
August 13, 2008

Defense Minister Yoshimasa Hayashi met with U.S. Ambassador to Japan Schieffer at the Defense Ministry yesterday afternoon for the first time. Referring to the Maritime Self-Defense Force's refueling activities in the Indian Ocean, Schieffer stressed: Many countries are now participating in assistance to Afghanistan. We hope Japan will also continue its contribution." Hayashi answered, "All of us in the ruling and opposition parties think we must do something to assist the war on terror."

On the issue of relocating the U.S. military's Futenma airfield in Ginowan, Okinawa Prefecture, Schieffer referred to the necessity of relocating the airfield to a coastal area of Camp Schwab in the island prefecture's northern coastal city of Nago. "It's important to implement the bilateral agreement in a steady way," Schieffer said. "We have to push this forward step by step while maintaining momentum," Hayashi said.

Meanwhile, the U.S. government has decided forgo its delisting of North Korea as a state sponsor of terrorism. In this regard,

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Schieffer stressed: "The abduction issue is important. The United States will not forget this issue at all."

2) U.S. Ambassador in meeting with defense minister calls on Japan to continue refueling mission

TOKYO SHIMBUN (Page 2) (Full)  
August 13, 2008

U.S. Ambassador to Japan Thomas Schieffer called on Defense Minister Yoshimasa Hayashi at the Defense Ministry yesterday. In their meeting the Ambassador urged Japan to continue the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean beyond its expiration in January.

In reference to the MSDF's refueling activities, the Ambassador stated: "A number of countries in the international community have joined support operations for Afghanistan. I hope Japan also will continue its contribution into the future." Hayashi just said: "The international community as a whole is fighting against terrorism. All political parties share the view that Japan must also do something."

On the realignment of U.S. forces in Japan, Schieffer said: "It is important to steadily implement the agreement." He tacitly asked for an early transfer of the U.S. Maritime Corps' Futenma Air Station (Ginowan City, Okinawa Prefecture) to a coastal area of Camp Schwab (Nago City). Hayashi replied: "While maintaining momentum, we must move the plan forward."

3) Fukuda indicates need for continued refueling mission: "We cannot be indifferent"

TOKYO SHIMBUN (Page 2) (Full)  
August 13, 2008

In the ruling camp, some executives have begun to call for caution about a bill amending the new Antiterrorism Special Measures Law to extend the Maritime Self-Defense Force's refueling mission in the Indian Ocean. Keeping this situation in mind, Prime Minister Fukuda indicated the need for Japan to continue its refueling mission. Fukuda said: "Our nation cannot be indifferent to Afghanistan. Many countries have been working hard to eradicate terrorism while making many sacrifices. There is naturally a way our nation should take."

Fukuda stressed: "Afghanistan has exposed the threat of terrorism to the international community and is a nation that produces narcotics. We also should take into consideration the need for the safety of our nation's maritime transportation."

#### 4) LDP pessimistic about extending MSDF mission in Indian Ocean

YOMIURI (Page 4) (Full)  
August 13, 2008

The Maritime Self-Defense Force is currently tasked with refueling activities in the Indian Ocean under the new Antiterrorism Special Measures Law to back up antiterror operations in Afghanistan. This law is set to run out in January next year. The government is now planning to amend the law to extend the MSDF's refueling mission there. Meanwhile, lawmakers within the ruling Liberal Democratic Party are voicing pessimism about extending the MSDF mission. New

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Komeito, the LDP's coalition partner, remains reluctant to take a second vote in the House of Representatives on a bill revising the law if the bill is voted down in the opposition-controlled House of Councillors. The legislation therefore cannot be expected to clear the Diet during its forthcoming extraordinary session.

"New Komeito is against taking a second vote, so it's difficult (to extend the MSDF's refueling activities in the Indian Ocean)," former LDP Secretary General Koichi Kato said on a satellite TV program. Former LDP Vice President Taku Yamasaki also said on the same program: "If New Komeito abstains from taking a vote, the ruling coalition will fall apart. That's the worst case." With this, Yamasaki indicated that he was not confident the legislation would pass.

New Komeito would accept the government's plan to present the bill to the Diet at its extraordinary session. However, the party takes the position that the legislation should not be premised on taking a second vote. The LDP's leadership also deems it difficult to take a second vote as its executives think New Komeito would not easily compromise.

LDP Election Strategy Council Chairman Makoto Koga insisted: "I wonder if it's appropriate to schedule the extra Diet session for the purpose of taking a second vote in the House of Representatives like before. We should make efforts to talk with the opposition parties about various options, including Japan's international contributions other than refueling activities." LDP Secretary General Aso and LDP General Council Chairman Sasagawa have also proposed looking into the feasibility of taking such backup measures as having the MSDF escort Japanese tankers instead of continuing the MSDF's current refueling activities.

However, some of the LDP's executives fear that the Fukuda cabinet will sustain a blow if the ruling coalition gives up on extending the MSDF's Indian Ocean mission. "Prime Minister Fukuda should move to resolve the situation with an immediate decision on what to do about the MSDF's refueling activities," one of the LDP's executives in the House of Councillors said.

#### 5) U.S. scholar constrains move to cut back on sympathy budget

NIKKEI (Page 2) (Full)  
August 13, 2008

Kent Calder, an American political scientist knowledgeable of Japan and a professor at Johns Hopkins University's School of Advanced International Studies, addressed the Foreign Correspondents Club of Japan in Tokyo yesterday. In his speech, he indicated that a change of government, should it take place in Japan, could become a "destabilizing factor" for the continued presence of U.S. forces in Japan.

In the Diet, the leading opposition Democratic Party of Japan (Minshuto) has been calling for the government to cut down on Japan's burden of sharing the costs of stationing U.S. forces in

Japan (omoiyari yosan or literally "sympathy budget"). With this DPJ standpoint in mind, Calder indicated that Japan's cutback in its host nation support for U.S. forces could lead to a substantial reduction of the U.S. military presence in Japan. He said: "Japan will be unattractive as a base location. With the advancement of information and telecommunications, there is no need to concentrate

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bases." He stressed, "Japan should be well aware of the impact of this on the alliance."

6) Japan, North Korea reaching agreement on reinvestigation into abductions

YOMIURI (Page 1) (Full)  
August 8, 2008

Japan and North Korea held formal working-level talks in Shenyang, China. The meeting lasted from the morning of August 12 to the early hours of the 13th. The participants entered near final talks on the method to be used in conducting a reinvestigation into the abductees that North Korea had pledged at the previous meeting in June. The results are expected to be released in a consensus document. According to a source familiar with the talks, the talks are heading toward an agreement. Coordination of views appears to be continuing with the Japanese side seeking the inclusion of the objective of the reinvestigation, using words "leading to the return of abductees to Japan."

Participating in the talks are Akitaka Saiki, director general of the Foreign Ministry's Asian and Oceanian Affairs Bureau, and Song Il Ho, North Korea's ambassador for normalization talks with Japan. The talks started at 9:00 a.m. on the 12th (10:00 a.m. the 12th, Japan time) and went into recess at 2:00 p.m. (3:00 a.m., Japan time). They then resumed the talks shortly after past midnight on the 13th (1:00 a.m. Japan time), after coordination of views with the government of their respective home countries.

Saiki on the afternoon of the 12th told reporters, "We are making efforts to reach an agreement." He thus revealed his determination to aim to reach an agreement with North Korea on the reinvestigation at the ongoing talks.

7) Actual progress uncertain in reinvestigation of abductions, with wide gap between both sides' views

NIKKEI (Page 2) (Full)  
August 13, 2008

(Takeshi Nagasawa, Hideaki Shimatani, Shenyang)

Japan is calling on North Korea to carry out an effective reinvestigation of the issue of its past abductions of Japanese nationals, while the North is insisting that Japan partially lift its economic sanctions against it. In their first set of talks in two months, Japan and North Korea found common ground to some extent after many hours of negotiations that lasted until before dawn of the 13th. In the coordination process, however, a remaining wide gap between their views was underscored. It is still uncertain whether the two countries will be able to set a process to actually move the abduction issue forward.

In the morning session on the 12th, Japanese and North Korean government envoys held negotiations for five hours without even taking lunch. Since North Korea spent plenty of time coordinating views with its government, the afternoon session opened at little past 13:00. Asked by reporters prior to the afternoon session about a prospect for an agreement, Japanese envoy Akitaka Saiki, director general of the Foreign Ministry's Asian and Oceanian Affairs Bureau, replied: "I don't know yet," indicating difficult negotiations was

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going on over a reinvestigation and the easing of sanctions.

Japan placed emphasis on a plan to set up a mechanism to enable it to check whether the investigation is being conducted in a proper way. In the sessions, the Japanese envoy reportedly called for a system to make it possible for Japanese authorities to enter North Korea in the course of investigation and receive explanations. In its past investigations, North Korea ended the process after giving Japan "the results that were totally unacceptable for Japan," according to a Foreign Ministry source. To urge the North to accept Japan's requests on the reinvestigation, the Japanese side is said to have discussed in what process Tokyo would agree to partially remove its sanctions if Pyongyang carries out an investigation.

According to informed sources, North Korea's delegate Song Il Ho, ambassador for normalization talks with Japan, called for an early removal of sanctions, repeatedly saying: "Unless you deliver on your promise, the bilateral relationship will be aggravated."

The North responded to Japan's call for bilateral talks with the aim of making it certain for the U.S. to delist it as a state sponsor of terrorism. The U.S. government, though, decided to forgo its delisting decision beyond the date of effect on Aug. 11. Given this, some observers had taken the view that the North's motive to hurriedly improve relations with Japan was fading.

In actuality, North Korea is eyeing the U.S. even while engaging in the talks with Japan. A government source said: "If U.S.-North Korea talks do not advance, Japan-North Korea talks will not advance, either." The U.S. insists that the establishment of a verification system for the North's nuclear declaration is indispensable for delisting North Korea. To what extent Pyongyang will seriously conduct the reinvestigation of the abduction issue will also affect the future of U.S.-North Korea talks.

8) Prime Minister Fukuda received information from China on gyoza on July 8

TOKYO SHIMUBN (Page 3) (Full)  
August 13, 2008

The Foreign Ministry revealed yesterday that it was told by China on July 7 that some Chinese people were poisoned by Chinese-made gyoza dumplings and it then reported it on July 8 to Prime Minister Yasuo Fukuda.

According to explanations by the Foreign Ministry's Asian and Oceanian Affairs Bureau Deputy Director General Masahiro Kohara in a meeting yesterday of the Democratic Party of Japan (DPJ), four people in China were poisoned by pesticide-tainted gyoza dumplings.

Kohara explained the reason for disclosing the information:

"Based on the request by the Chinese side, the ministry's bureau in charge of the gyoza incident made the decision. There was no problem. We reported it to the Prime Minister's Official Residence (Kantei) and the National Police Agency. I think they shared our judgment."

Kohara stressed that the Kantei, Foreign Ministry, and NPA shared the information.

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One DPJ lawmaker stressed: "The Fukuda cabinet prioritized consideration for the Chinese government over Japanese consumers' concerns about food safety."

DPJ Policy Research Committee Chairman Masayuki Naoshima called on Deputy Chief Cabinet Secretary Mitsuhide Iwaki at the Kantei to ask him to open closed-hearing sessions during the Diet recesses. The DPJ also requested that Fukuda explain the reason for not disclosing the information.

9) Prime Minister Fukuda on one month delay in information disclosure: Priority placed on China's investigation into gyoza poisoning incident

TOKYO SHIMUBN (Page 3) (Full)  
August 13, 2008

When asked by reporters about why the government left undisclosed for one month the information that China had had food poisonings from domestic gyoza dumplings, Prime Minister Yasuo Fukuda said yesterday: "I was told that if the information was disclosed, the truth about the food poisoning incident would not have been learned. I apologize to the Japanese people."

Asked about criticism that he prioritized consideration for China over the Japanese public, Fukuda rebutted: "Shedding the light on the incident is (more important) than giving consideration to China. I wanted China to uncover the truth about the matter."

10) Opposition stepping up criticism of government for hiding gyoza poisoning information

YOMIURI (Page 4) (Excerpts)  
August 13, 2008

Following the discovery that the government received on July 7 the information that China had suffered a food poisoning outbreak from Chinese-made frozen gyoza dumplings, opposition parties yesterday further heightened their criticism of the government. The government intends to seek the understanding of the opposition camp by explaining that China had asked Japan not to disclose the information because it might negatively affect its investigation into the food poisoning incident. However, the government, which places priority on consumer affairs administration, will have to continue to be on the defensive for the time being.

In a meeting yesterday of the main opposition Democratic Party of Japan (DPJ), DPJ lawmakers asked Masahiro Kohara, deputy director general of the Foreign Ministry's Asian and Oceanian Affairs Bureau, questions as followed:

Lower House member Kazunori Yamanoi: Did the Prime Minister made a final decision not to disclose the information to Japanese consumers?

Kohara: There was no objection to the decision (to disclose the information) among those involved (including the Prime Minister) and they shared the perception.

Yamanoi: I do you think the information would have been disclosed if the Japanese media did not report it?

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Kohara: Since the Chinese side has been conducting an investigation into the incident, it is the Chinese side that makes the decision on how it will disclose the information.

After the meeting, the DPJ sent a letter that wrote: "Even Minister for Consumer Affairs Seiko Noda did not know about the information. The Fukuda cabinet's policy of attaching importance to consumers turned out to be a pie in the sky." The largest opposition party intends to step up the offensive with the next extraordinary Diet session in mind, while calling on Fukuda for an explanation.

The government is now desperate to build up its defense argument.

11) Supply-side advocates in LDP aim to take initiative in drafting manifesto through National Vision Project Headquarters

NIKKEI (Page 2) (Excerpts)  
August 13, 2008

Persons in the LDP who attach importance to spending cuts and economic growth have begun to move. Former Secretary General Hidenao Nakagawa, an advocate of economic growth who was not given a key ministerial post or party executive post, and others intend to seize the initiative in the compilation of a manifesto for the next Lower House election through the National Vision Project Headquarters (NVPH). Confrontation with the party leadership, which is looking to

revise the structural reform policy of the Koizumi administration, is bound to occur.

Nakagawa, who took office as acting chairman of the NVPH, chaired by Prime Minister Fukuda, several days after the cabinet shuffle on August 1, telephoned former Chief Cabinet Secretary Yasuhisa Shiozaki and former Defense Minister Shigeru Ishiba, and asked them to serve as vice chairmen. An aide to Nakagawa said, "We want as many reform-minded people as possible to join the NVPH."

Nakagawa wrote on his website: "Those who support fiscal reconstruction and postal rebels were given key posts, while advocates of economic growth were eliminated in the cabinet shuffle this time in an attempt to roll back the reform line." He also wrote: "Advocates of economic growth, who have fallen from power, will continue to fly the banner of reform, using the NVPH as a base." He thus characterized the LDP leadership, starting with Secretary General Tar Aso, who has come up with a proposal for putting fiscal reconstruction first, as an anti-reformer.

Behind Nakagawa's aggressive comment is the fact that he was given the go-ahead from the prime minister. The NVPH is an agency responsible for proposing mid- to long-term strategies and policies to the prime minister. Its presence has not been felt strongly thus far. However, the prime minister ordered the NVPH to consider drafting a manifesto, forsaking the traditional practice of having the Policy Research Council carry out such a task. If advocates of economic growth are tasked with drafting a manifesto at a time when the next Lower House election is imminent, their influence is bound to increase.

The mounting dissatisfaction felt by junior party members regarding the leadership's policy switch is also boosting the confidence of advocates of economic growth. One junior lawmaker said in a telephone conversation with another lawmaker: "If the government compiles a pork-barrel budget, we cannot support it. The

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administration is not consistent."

12) Prime minister to take second summer vacation for five days, but he will not rest

MAINICHI (Page 5) (Full)  
August 13, 2008

Prime Minister Yasuo Fukuda will take what is effectively a second summer vacation for five days starting on August 13. He plans to stay at the Kantei for most of the time. However, he is scheduled receive a report on the Japan-North Korea talks on the 13th and attend the Memorial Ceremony for the War Dead on the 15th. He will thus likely spend his vacation without completely resting. For this reason, his formal schedule notes that the prime minister will be at work.

Asked by reporters about how he is going to spend his summer vacation, the prime minister on the evening of the 12th said, "I will work as usual."

SCHIEFFER